

Event: 1Q 2022 Results Presentation

Date: 5th May 2022

Speakers: Mr. Claudio Albertini, CEO

OPERATOR: GOOD AFTERNOON. THIS IS THE CHORUS CALL OPERATOR. WELCOME TO THE CONFERENCE CALL PRESENTING IGD'S FIRST QUARTER 2022 RESULTS. LET ME REMIND YOU THAT ALL PARTICIPANTS ARE IN LISTEN-ONLY MODE. AFTER THE PRESENTATION, A Q&A SESSION WILL BE HELD. TO BE ASSISTED BY AN OPERATOR DURING THE CONFERENCE CALL, PRESS "*" AND "1"... "0" ON YOUR KEYPAD. I WILL NOW TURN THE CONFERENCE OVER TO MR. ALBERTINI, CEO OF IGD.

CLAUDIO ALBERTINI: THANK YOU VERY MUCH. GOOD AFTERNOON TO ALL OF YOU. AS YOU PROBABLY COULD READ IN OUR PRESS RELEASE THAT WAS SHARED WITH YOU WITH A SIZABLE ADVANCE, I SHOULD SAY, THIS MORNING IGD'S BOARD OF DIRECTORS APPROVED Q1, 2022 RESULTS. TOGETHER WITH THE PRESS RELEASE, WE ALSO SENT YOU THE PRESENTATION FOR Q1, 2022 RESULTS, THAT I AM NOW GOING TO WALK YOU THROUGH.

LET'S MOVE TO PAGE 3 WITH THE FINANCIAL HIGHLIGHTS, AND LET ME SAY BY WAY OF INTRODUCTION THAT THE DATA WE ARE SHARING IN COMPARISON WITH 2021 ARE ON TOTAL PERIMETER. AT THE END OF NOVEMBER 2021, WE DISPOSED OFF A SIZABLE PART OF OUR PORTFOLIO, SO WE, OF COURSE, WILL BE PROVIDING CONSISTENT PERIMETER OR CONSOLIDATION SCOPE COMPARISON, BUT THESE DATA ON PAGE 3 ARE ON TOTAL PERIMETER.

SO RENTAL INCOME IS DOWN 7.6% LANDING AT €33.9 MILLION THAT IS MAINLY DRIVEN BY THIS DIFFERENT PORTFOLIO SCOPE OF CONSOLIDATION OR PERIMETER. NET RENTAL INCOME LANDED AT €28.7 MILLION, GROWING 9.6% VERSUS THE PREVIOUS FISCAL YEAR Q1, 2021, CORE BUSINESS EBITDA €26.1 MILLION, A SIMILAR GROWTH TO THAT OF THE NET RENTAL INCOME AND THEN FFOs, FUNDS FROM OPERATIONS, LANDS AT €16.7 MILLION UP 20.7%.

LET'S NOW MOVE ON TO THE OPERATING PERFORMANCE. WE ARE TALKING ABOUT ITALIAN MALLS PERFORMANCE IN Q1, 2022 PAGE 5. IN THIS SLIDE YOU SEE A MONTHLY SEGMENTATION OR BREAKDOWN AFTER 2020 AND 2021. WELL, WE HAD A FIRST QUARTER THAT WAS AFFECTED BY HIGHLY MEANINGFUL, EXTERNAL EVENT EVEN THOUGH OUR PORTFOLIO WAS NOT VERY MUCH IMPACTED BY THEM.

IN THIS CASE, BETWEEN WHAT HAPPENED BETWEEN JANUARY AND MARCH, WE ARE ALL VERY AWARE OF THOSE EVENTS. STARTING FROM JANUARY, ALL THE COMPARISONS WE ARE OFFERING HERE ARE VERSUS 2019, FOR US IS STILL THE REFERENCE HERE, BECAUSE 2020 AND 2021 WERE 2 FISCAL YEARS THAT WERE AFFECTED BY THE PANDEMIC, AND THEREFORE VERY INCONSISTENT WHEN IT COMES TO COMPARISONS. SO THE COMPARISON IS ALWAYS 2019 VERSUS 2022.

STARTING FROM JANUARY, THERE WAS A PEAK OF OMICRON CONTAGIONS, 4.7 MILLION PEOPLE WERE INFECTED BY OMICRON AND FOR QUITE A FEW WEEKS WE HAD ABOUT 3 MILLION PEOPLE UNDER QUARANTINE EITHER BECAUSE THEY HAD BEEN INFECTED, OR BECAUSE THEY HAD BEEN IN CLOSE CONTACT WITH INFECTED PEOPLE. 3 MILLION IN ITALY IS A LOT, AND SO 15% OF THE POPULATION, AND DESPITE THE IMPROVEMENTS WE HAD IN Q4, 2021, THERE WAS A DECLINE. YOU SEE FOOTFALLS ARE DOWN 22.2% VERSUS 2019.

LET ME REITERATE, TENANT SALES IN SHOPPING MALLS DOWN 12.8% AND THEN FEBRUARY INSTEAD IMPROVED, TENANT SALES WERE ALMOST ON THE SAME LEVEL AS 2019 AT MINUS 1.7% AND FOOTFALLS LANDING AT MINUS 19.3%. AND THEN, MARCH WE HAD THE START OF THE WAR IN UKRAINE AND THAT, OF COURSE, LED TO A HIGHER INFLATION, IT'S NOT JUST STEMMING FROM THE WAR. WE ARE WELL AWARE OF THAT, BUT THE CONFLICT, THE WAR IN UKRAINE WORSENERED THE SITUATION INDEED, AND THEN IN MARCH, WE HAD AGAIN A DECLINE IN FOOTFALLS DOWN 20.4%, AND TENANT SALES SOMEHOW STOOD THEIR GROUND WITH MINUS 6.4%.

SO Q1 HAS A DECLINE IN TENANT SALES SLIGHTLY BELOW 8%, THAT IS TO SAY 7.9% AND A DECLINE IN FOOTFALLS LANDING AT LESS OR MINUS 20.5%. WE ALWAYS COMPARE OURSELVES AGAINST CNCC, IT'S THE NATIONAL COUNCIL FOR SHOPPING MALLS. EVEN FROM THEIR DATA, FOOTFALLS DECLINED 21.3%, SO WE HAVE A BETTER FIGURE THAN THAT OF CNCC. IN THE DOTTED BOX, WE HAVE FOOTFALLS FOR APRIL. IT'S A PIECE OF INFORMATION WE GOT OVER THE LAST FEW DAYS, SLIGHT IMPROVEMENT, THEY ARE MINUS 18.4%.

LET ME REMIND YOU THAT IN Q4 OF 2021 OUR FOOTFALLS WERE AROUND MINUS 16%. WE WERE HOPING TO FURTHER IMPROVE, BUT THAT WAS NOT THE CASE, BUT THE AVERAGE TICKET INSTEAD CONTINUES TO

GROW. MARCH 2022 ALWAYS VERSUS MARCH 2019, YOU SEE THERE WAS A 20.3% INCREASE, THAT IS TO SAY, €26.4 THAT'S THE AVERAGE TICKET. WHAT DOES THAT IMPLY, WE'VE ALREADY SAID THAT AT YEAR END, THERE ARE LESS FOOTFALLS, BUT PEOPLE TEND TO SPEND MORE AND SO THEY GO LESS, BUT SPEND MORE. IT'S MORE FOR HYPERMARKETS, BUT WHENEVER YOU ENTER A SHOPPING MALL, FOOTFALLS WE DON'T KNOW HOW MANY PEOPLE GO TO A HYPER MARKET OR HOW MANY PEOPLE VISIT THE STORES IN THE MALL. SO THEY GO LESS, BUT THEY ARE MORE TARGETED SALES. SO, NOT THE ENTIRE 20% DECREASE IN FOOTFALLS ARE LOST CLIENTS OR CUSTOMERS. THEY HAVE A LOWER FREQUENCY VISIT TO THE SHOPPING CENTERS, BUT THEY BUY MORE.

ALWAYS, AS FAR AS, COMMERCIAL PERFORMANCES, WE ARE ON PAGE 6, OCCUPANCY RATES IS STILL AT HIGH LEVEL, WE ARE TALKING ABOUT ROUGHLY 95% IN ITALY, SLIGHTLY DOWN VERSUS FULL YEAR 2021, DOWN 35 BPS, AND THE DECLINE WAS FULLY REMARKETED ALREADY AND ROMANIA THE DECLINE WAS SLIGHTLY LOWER DOWN 51 BASIS POINTS VERSUS FULL YEAR 2021, BUT THERE AGAIN WE ARE WORKING ON THE REMARKETING.

THE LEASING ACTIVITIES ARE ALSO CONTINUING, MOVING ON, WE'LL GIVE YOU SOME VERY MEANINGFUL EXAMPLES, TELLING YOU WHICH WAY WE ARE HEADING. IN ITALY, WE HAVE ROUGHLY 1,400 CONTRACTS; WE ONLY HAD 20 TURNOVER AND NOT VERY MEANINGFUL THEN. THE DOWNSIDE WAS ROUGHLY 3%, WHILST ROMANIA WE HAD ABOUT 100 RENEWALS BETWEEN TURNOVER AND RENEWALS ON A PORTFOLIO OF 550 CONTRACTS, RECORDING A VERY SIMILAR DOWNSIDE, THAT IS TO SAY, DOWN 3.4%.

THE LAST BULLET POINT TELLS YOU THAT OUR NEW CONTRACTS AS WE ARE GOING THROUGH A TIME OF GROWING INFLATION, ALL OUR CONTRACTS ARE INFLATION INDEXED. BUT LET ME REMIND YOU THAT WE COME FROM YEARS OF FLAT INFLATION WITH RENTAL CONTRACTS THAT WERE UNVARIED FOR 2, 3 YEARS IN A ROW. SO 83% OF OUR CONTRACTS ARE LINKED TO 100% OF INFLATION WAS THE REMAINING PART, THAT IS TO SAY 17% IS INFLATION LINKED TO A 75% OF THE INFLATION, WHILST ALL THE CONTRACTS FOR HYPERMARKETS ARE LINKED TO 75% OF INFLATION. ROMANIA IS A DIFFERENT INDICATOR, EVEN THOUGH IT'S A SIMILAR IN RESULTS, BUT OUR CONTRACTS ARE 100% LINKED TO THE EURO AREA INFLATION.

LET'S MOVE TO PAGE 7, LET ME TELL YOU SOMETHING ABOUT THE COLLECTION RATE. IT'S A VERY POSITIVE PIECE OF INFORMATION: IN 2021, WHERE WE ARE VERY CLOSE TO 100%, WHILST MORE IN ROMANIA THAN IN ITALY AND WE'VE HAD A SITUATION IN THE FIRST QUARTER WHERE WE HAVE A COLLECTION RATE OF 90% FOR BOTH ROMANIA AND ITALY. WE CANNOT, OF COURSE, HIDE THE FACT THAT WE'VE RECEIVED REQUESTS FOR REDUCTIONS BECAUSE OF THE INFLATION RISE.

SO FAR WE HAVE NOT YET GRANTED REDUCTOONS, MAYBE SOME TEMPORARY ONES, BUT WITHIN BUDGET AND WITH SOMEHOW STAGGERED PAYMENTS OVER TIME, EVEN THOUGH IT'S ALWAYS A QUARTERLY PAYMENT FOR MOST OF THE CONTRACTS. AND SOMETHING ELSE I'D LIKE TO UNDERLINE IS THAT AS YOU CAN SEE ON THE SLIDE, WE HAVE STRENGTHENED THE MEASURES TO TO REDUCE ENERGY CONSUMPTION. WE KNOW VERY WELL THAT ENERGY PRICES ARE GROWING EXPONENTIALLY, AND SO WE SWITCHED THE LIGHTS OFF EARLIER AND WE FULLY SWITCHED OFF LIGHTS DURING THE NIGHT AND WE CONSTANTLY MONITOR THE IMPACT ALSO TEMPERATURES IN SHOPPING CENTER. SO WE TRY TO LIMIT ENERGY CONSUMPTION AS MUCH AS WE CAN.

AS I WAS SAYING BEFORE, ON PAGE 8 THERE ARE SOME OF THE EXAMPLES OF HOW WE ARE MARKETING OUR AREAS, OUR SPACES IN LINE WITH THE STRATEGY OUTLINED IN OUR BUSINESS PLAN. WE START FROM PAGE 8, AS I SAID, WELL, WE HAVE ANOTHER GYM OPENING IN GROSSETO CENTRO MAREMÀ AND THE SHOPPING MALL WAS OPENED IN 2016. ANOTHER BEAUTIFUL STORE, 1,800 SQUARE METERS OPENED IN ITALY, IN...CENTRO LEONARDO SHOPPING MALL, IT'S AN EXCELLENT SPORTS AND CLOTHING BRANDING.

AND THEN, NEXT PAGE, WE OPENED ANOTHER MEDICAL CLINIC IN CASILINO, THE FIRST ONE WAS OPENED IN 2021 AT THE BOLOGNA CENTROBORGO. AND HERE WE HAVE ANOTHER POLIAMBULATORIO. IT'S AN OUTPATIENT CLINIC AND IT'S HIGHLY SPECIALIZED AND THE SURFACE COVERED IS 150 SQUARE METERS.

AND THEN CASILINO SKY PARK, AND WE ARE VERY PROUD OF THIS ACHIEVEMENT. WE COMPLETED A PROJECT THAT WAS STARTED QUITE SOME TIME AGO, AND YESTERDAY IT OPENED AT THE CASILINO CENTRO IN ROMA, IT'S A HUGE TERRACE ON THE FOURTH FLOOR OF OUR SHOPPING CENTER, IT'S 2,800 SQUARE METERS WITH DIFFERENT ACTIVITIES BEING FEATURED. AS YOU CAN SEE, THERE ARE THREE PADEL COURTS, SPACE DEVOTED TO KID'S ENTERTAINMENT,... IT'S JUST AN EXAMPLE OF HOW WE CAN USE SPACES THAT WERE UNUSED BEFORE. IT'S A FORMER PARKING PLACE. WE'RE NOT TALKING ABOUT HIGH RENT HERE, BUT SOMEHOW IT MAKES THE SHOPPING MALL MORE APPEALING AND IT DRAWS MORE CUSTOMERS.

PAGE 10, NOW AT A TIME THAT IS STILL QUITE HARD, IT'S VERY CHALLENGING TIME TO COME UP WITH MARKETING INITIATIVES. AS YOU CAN SEE, OUT OF THE 31 SHOPPING CENTERS INVOLVED, WE HAVE SELECTED COMMUNICATION AND MARKETING AGENCIES. WE HAVE ONE FOR EACH SHOPPING CENTER AND THE COMMUNICATION WILL BE FULLY INTEGRATED BETWEEN ONLINE AND OFFLINE. AND FIRST AND FOREMOST, IT WILL BE VERY MUCH FOCUSED ON THE INDIVIDUAL CATCHMENT AREA NEEDS FOR THESE 31 SHOPPING CENTERS.

LET'S MOVE ON TO PAGE 11. IT'S A PROJECT THAT IS VERY IMPORTANT AND INNOVATIVE FOR US. IT'S A CO-MARKETING PROJECT WITH COOP ALLEANZA 3.0. WE'RE NOT AWARE OF OTHER SIMILAR PROJECTS

EITHER IN ITALY NOR IN EUROPE. A FULL INTEGRATION BETWEEN THE FOOD ANCHOR AND THE SHOPPING MALL. AND WELL OUR LIFE WAS MADE EASIER BY THE FACT THAT WE OWN BOTH THE ASSET AND THE HYPERMARKET, AND THAT WE HAVE A SHAREHOLDER WHO IS ALSO THE MANAGER OF THOSE 12 HYPERMARKETS.

IT'S A PROJECT THAT HAS ALREADY BEEN STARTED. IT'S ALREADY UNDERWAY, WE'VE ALREADY STARTED WITH THE FIRST INITIATIVES, AND IT'S BASED ON 12 SHOPPING CENTERS FOCUSING ON 3 AREAS, DIGITAL COMMUNICATION AND PUBLICITY. AND WE SENT YOU ALL THE MATERIAL TO EXPLAIN THE PROJECT TO YOU AS BEST AS WE COULD. AS TO SUSTAINABILITY, WE WERE GRANTED NEW AND VERY IMPORTANT AWARDS BY 2 VERY PRESTIGIOUS DAILY PAPERS. WE WERE HONORED TO BE PART OF THE COMPANIES THAT WERE SELECTED. THE FIRST WAS AN AWARD BY THE FINANCIAL TIMES, WE ARE AMONG THE 19 ITALIAN AND 400 EUROPEAN COMPANIES HAVE REDUCED OUR GREENHOUSE GAS EMISSIONS THE MOST IN THE TIME SPANNING 2015-2020. AND THAT REALLY IS A VERY SATISFACTORY ACHIEVEMENT FOR US.

AND FOR THE SECOND YEAR IN A ROW, WE ARE AMONG THE 150 SUSTAINABILITY LEADERS IN ITALY. AND THAT WAS A SURVEY LED BY THE IL SOLE VENTIQUATTRORE. SO WE ARE STILL MOVING IN OTHER AREAS. WE HAVE MANY ONGOING PROJECTS AND THEY ARE IN LINE WITH OUR BUSINESS PLAN. SCOPE 3 ALREADY INCLUDED IN OUR 2021 SUSTAINABILITY REPORT. AND THE PROJECT IS TO CERTIFY AT LEAST ONE EMISSION REDUCTION TARGET AND THAT'S SCIENCE-BASED TARGETS.

AND THEN ESP, WE ARE PART OF THE PILOT PROJECT TO MAKE ESP SHOPPING CENTER, ZERO-EMISSION CENTER. AND ANOTHER INITIATIVE, IT'S CALLED AND CIRCULAR AND IT'S AN EXCELLENT ACTIVITY WHERE WE COLLECT FOR THE COLLECTION, REUSE AND SALE OF USED CLOTHES. THE FIRST ONE WAS OPENED IN CENTROBORGO BOLOGNA, AND WE WILL OPEN ANOTHER ONE IN CENTRO LAME, AND THEN ENERGY COMMUNITIES ALWAYS IN LINE WITH THE ENERGY CONSUMPTION REDUCTION. WE ARE LOOKING AT WHETHER OR NOT WE CAN HAVE ENERGY COMMUNITIES IN OUR SHOPPING CENTERS TO REDUCE THE ENERGY CONSUMPTION OF EACH SINGLE SHOPPING MALL.

LETS MOVE TO THE FINANCIAL RESULTS. AS I SAID DURING THE HIGHLIGHTS, WE FOR THE HIGHLIGHTS, WE TALKED ABOUT TOTAL PERIMETER HERE WE HAVE A COMPARISON FOR THE TOTAL PERIMETER THAT IS TO SAY, THE FIRST AND LAST FIGURE. AND THEN, WE TALKED IN...WE REMOVED THE PART THAT WAS NOT LIKE-FOR-LIKE WE CAME UP WITH A COMPARISON THAT IS ALSO LIKE-FOR-LIKE.

NET RENTAL INCOME WAS €26.2 MILLION LAST YEAR, IF WE DID THAT €2.8 MILLION OF THE DISPOSAL AND THE NEW MASTER LEASE AGREEMENT IN THE COMPARISON IT'S PLUS 22.4% ON A LIKE-FOR-LIKE BASIS AND THE GROWTH IS MAINLY DRIVEN AS YOU SEE IN THE GRAY BOX, 5.1% WAS LOWER COVID COSTS UNLIKE

2020, AND UNLIKE 2021 WHERE IN THE FIRST QUARTER, WE MADE PROVISIONS IN VIEW OF FUTURE REDUCTIONS REQUESTS. SO THIS YEAR, WE HAVE NOT MADE THAT PROVISION.

WE DO NOT FORESEE ANY IMPACTS OR EFFECTS COMING FROM THE OMICRON VARIANT OF COVID, AND SO THERE'S NO PROVISION MADE IN THAT RESPECT, AND THEN THE RESIDUAL THAT HAS YET BEEN UNTAPPED RESERVE FROM 2021 FOR A TOTAL OF ABOUT €4 MILLION, THAT ACCORDING TO US SHOULD COVER ANY POSSIBLE NEEDS WE MIGHT HAVE FOR THE YEAR. BUT NO, LET ME REITERATE, NO PROVISION WAS MADE FOR IN THIS QUARTER. THAT'S WHY OUR NET RENTAL INCOME GROWS 22.4%, SAME APPLIES FROM CORE BUSINESS EBITDA. THERE AGAIN COMPARISON FOR TOTAL PERIMETER AND ALSO ON A LIKE-FOR-LIKE BASIS, SO UP 24.5% ON A LIKE-FOR-LIKE BASIS, PLUS 10 ON THE TOTAL PERIMETER WITH AN EBITDA MARGIN, LANDING AT 73.2%.

AND THEN FFOs, PAGE 16 FROM €13.8 MILLION Q1, 2021 GOES TO €16.7 MILLION. IF YOU STRIP OFF THE DISPOSE OF PORTFOLIO DOWN €2.4 MILLION, WE END UP WITH €11.4 MILLION AND €16.7 MILLION, SO A GROWTH OF 46%. LET ME REITERATE ONCE AGAIN, THAT THE €5.2 MILLION IS FOR LOWER PROVISIONS, BECAUSE LAST YEAR WE ACCOUNTED FOR €5 MILLION WORTH OF PROVISIONS.

AS TO THE FINANCIAL SETUP, THE FINANCIAL STRUCTURE, HERE YOU SEE THE INDICATORS ARE ALL IMPROVING. LTV IS DOWN 50 BASIS POINTS FROM 44.8% TO 44.3%, ICR GOES FROM 3.3 TIMES TO 3.5 TIMES AVERAGE COST OF DEBT IS SLIGHTLY DECLINING FROM 2.2% TO 2.16%.

OUR DEBT STRUCTURE, 60% ROUGHLY IS BONDS, SO ITS MARKET AND 41% IS BANKING SYSTEM LOANS AND THE VAST MAJORITY OF OUR LOANS ALMOST 78% OF OUR DEBT OF OUR LOANS ARE UNSECURED AND 22% INSTEAD IS SECURED. NET FINANCIAL POSITION, END OF MARCH WAS ABOUT €10 MILLION DOWN VERSUS YEAR-END WITH A CASH AND €164 MILLION AT THE END OF MARCH.

AND THERE ARE LET ME MOVE ON TO THE NEXT SLIDE, SHOWING OUR DEBT MATURITY PROFILE ENABLING US TO FULLY REPAY OR REDEEM OUR BOND DUE ON APRIL THE 21ST, 2021. WE NOW HAVE €0.5 MILLION AVAILABLE, PLUS THE CASH WE WILL GATHER IN THE COMING QUARTERS THAT WILL MEAN WE WILL COVER OUR 2022 NEEDS WITH THAT. I'M SURE YOU WERE INFORMED OF OUR BOND TRANSACTION THAT WE SET ASIDE FOR THE TIME BEING, WE'RE WORKING ON THE REFINANCING OR 2023 DEBT. HOWEVER IT'S DUE IN Q4. SO WE STILL HAVE TIME TO THINK ABOUT IT. I THINK THAT'S IT FROM MY PART.

LET ME TELL YOU ARE ABOUT OUR AGENDA. AUGUST THE 4TH THE INTERIM RESULTS END OF JUNE 2022. AND ON THAT OCCASION, WE WILL ALSO GIVE YOU AN UP-DATE OF OUR GUIDANCE. I DID NOT MAKE ANY REFERENCE TO THE GUIDANCE WE GAVE YOU FOR THE FULL YEAR 2021 RESULTS END OF FEBRUARY. WE

PROVIDED A RANGE 9%, 10%. WE NEVER GIVE YOU AN UPDATE AFTER THE FIRST QUARTER, WE GIVE IT AT THE INTERIM REPORT OPPORTUNITY, AND WE'LL SEE WHETHER OR NOT IT WILL BE UPDATED BECAUSE NORMALLY WE UPDATE IT IN AUGUST DURING THE INTERIM REPORT PRESENTATION. AND THEN WE HAVE NOVEMBER 03RD THE Q3 RESULTS.

WE ALSO HAVE SOME ROAD SHOWS IN THE PIPELINE, 18TH OF MAY, WE WILL BE ATTENDING THE ITALIAN INVESTMENT CONFERENCE 2022 ORGANIZED BY UNICREDIT, KEPLER CHEUVREUX, AND, IN OCTOBER, ITALIAN EXCELLENCIES PARIS INTESA SAN PAOLO.

I STOP HERE, BUT WE HAVE ALL THE ANNEXES, AND I HAVE COLLEAGUES WITH ME WHO WILL BE ABLE TO PROVIDE THE ANSWERS TO THE QUESTIONS YOU MIGHT BE ABLE...YOU MIGHT BE WILLING TO ASK.

Q&A

OPERATOR:

THIS IS THE CHORUS CALL OPERATOR. LET US NOW START THE Q&A SESSION. IF YOU WISH TO ASK A QUESTION PRESS "*"AND "1" ON YOUR PHONE KEYPAD, TO BE REMOVED FROM THE Q&A QUEUE PRESS "*"AND "2." PLEASE ASK YOUR QUESTIONS USING YOUR PHONE HEADSET, PRESS "*"AND "1" NOW, IF YOU WANT TO ASK A QUESTION.

THE FIRST QUESTION COMES FROM THE LINE OF DARIO MICHÌ, BNP PARIBAS EXANE. GO AHEAD, SIR.

DARIO MICHÌ:

GOOD AFTERNOON TO ALL OF YOU. THANKS FOR ANSWERING FOR TAKING MY QUESTION. I WOULD LIKE TO ASK YOU THE FOLLOWING. ARE THERE ANYTHING YOU CAN SAY AS TO THE MEETINGS YOU'RE HAVING WITH YOUR TENANTS WHEN IT COMES TO INFLATION LINKED FEES AND RENTS AS YOU HAVE QUARTERLY DEALS. ARE THERE ANY REACTIONS THAT YOU RECORDED FROM THE PART OF TENANTS AND WHAT ARE THE REDUCTIONS YOU'VE BUDGETED FOR IN 2022?

SECOND QUESTION, I KNOW, YOU'RE NOT GIVING QUANTITATIVE GUIDANCE, AS TO THE FFO'S. BUT COULD YOU ELABORATE IN GENERAL ON THE QUALITATIVE SIDE? WHAT ARE THE PARTS THAT WILL CHANGE ACCORDING TO YOU? WHAT ARE THE MOVING PARTS OVER THE YEARS AS IN Q1 THE GROWTH WAS MORE THAN DOUBLE YOUR GUIDANCE. AND THEN, ARE YOU SEEING ANY COST INCREASES IN YOUR DEVELOPMENT PROJECT? THANK YOU.

CLAUDIO ALBERTINI:

THANK YOU VERY MUCH FOR YOUR QUESTIONS. AS TO THE INFLATION-LINKED RENTS, WE'VE ALREADY STARTED TO APPLY THE INFLATION RELATED INCREASES TO ONLY PART OF OUR CONTRACT DEPENDING ON

WHEN THEY EXPIRE. THERE WAS A FIRST INCREASE WITH THE BILLING OF THE FIRST QUARTER, AND WE APPLIED THE NOVEMBER INFLATION BECAUSE WE HAVE ADVANCED QUARTERLY BILLINGS AND THE BILLINGS TAKE INTO ACCOUNT THE INFLATION BASED ON WHETHER OR NOT THE CONTRACT HAS BEEN RENEWED IN Q1 FOR THE CONTRACTS THAT EXPIRED AND WERE RENEWED. WE APPLIED A 3.8% INFLATION THAT WAS THE NOVEMBER INFLATION...NOVEMBER 2021 INFLATION FIGURE, AND THEN WE HAD MORE INVOICES, MORE BILLS WITH INFLATION IN EXCESS OF 6%.

OF COURSE, WE DID NOT GET A BIG ROUND OF APPLAUSE FROM OUR TENANTS FOR THAT, BUT FOR THE TIME BEING, WE HAVE NOT APPLIED ANY INFLATION FREEZE, BECAUSE WE COME FROM YEARS WHERE INFLATION WAS FLAT. THE ECB, NOT VERY LONG AGO, WAS TRYING TO TAKE INFLATION TO 2%. NOW, WE ARE IN THE REVERSED SITUATION. OF COURSE, INFLATION GROWING IS NOT MAKING US HAPPY, BECAUSE IN THE LONG TERM IT WILL CAUSE SUSTAINABILITY A PROBLEM FOR OUR TENANTS.

LET'S SAY THAT WE HAVE RECEIVED SOME REQUEST FOR REBATES, SOME WE HAVE GRANTED. AS I SAID BEFORE WE ARE AMPLY WITHIN BUDGET OR WITHIN THE RESIDUAL FUND WE HAVE INHERITED FROM 2021. SO FAR WE DO NOT HAVE ANY SPECIFICALLY CRITICAL SITUATION. WE CANNOT SAY OUR TENANTS ARE HAPPY WITH IT, BECAUSE AS YOU HAVE SEEN SALES ARE NOT UP TO THE PRE-COVID LEVELS YET, BUT SO FAR, WE DO NOT RECORDED ANY SPECIFICALLY CRITICAL SITUATION, NOT TO THE GUIDANCE.

WE ARE MONITORING THE SITUATION FROM VERY CLOSE, AND WE'VE DECIDED NOT TO CHANGE OUR GUIDANCE. OVER THE LAST 2, 3 YEARS, WE HAVE IMPROVED OUR GUIDANCE. I CAN ALREADY SAY THAT IT'S UNLIKELY FOR US TO REVISE OUR GUIDANCE, WHICH IS IN A RANGE BETWEEN 9% TO 10% INCREASE, CAN BE FURTHER IMPROVED. IT WILL BE A LOT IF WE CAN RECONFIRM THAT GUIDANCE. IT'S TRUE WHAT YOU SAYD, THERE WAS A PERFORMANCE IN EXCESS OF 20%, BUT LAST YEAR IN THE FIRST QUARTER, WE CONCENTRATED PRACTICALLY WHAT WAS THEN THE FULL COVID EFFECT FOR 2021, SO THAT WAS €11 MILLION. SO WE ALLOCATED 5 IN THE FIRST QUARTER AND THAT WAS A DIRECT COST. SO IT'S NOT A CONSISTENT COMPARISON, I AM SAYING THAT AGAIN SO INTEREST...IT'S NOT...IT CANNOT BE RE-CASHED, LET'S SAY MAYBE THE SITUATION IS EVOLVING, AND WE ARE ALL AS YOU TOO ARE CONCERNED ABOUT WHAT IS HAPPENING TO ENERGY PRICE INCREASES.

WE ARE TRYING TO MITIGATE THOSE AND OFFSET THOSE AND OF COURSE, THE PROJECTS WE RUN IN THE PREVIOUS YEARS, MEANING WE INSTALLED PHOTOVOLTAIC PANELS IN PARKING PLACES. WE CHANGED OUR BOILERS. WE INTRODUCED NEW GENERATION DEVICES AND EQUIPMENT TO CUT COSTS, WHILST WE DO HAVE COSTS, BUT MAYBE ROBERTO CAN ANSWER BETTER THAN I CAN, BECAUSE, OF COURSE, HE IS FOLLOWING THE PROJECT MANAGEMENT FOR THE DIFFERENT AREAS WHERE WE ARE GOING TO KEEP COSTS AT BAY.

ROBERTO ZOIA: GOOD AFTERNOON. INDEED, RAW MATERIALS PRICES HAVE INCREASED. THIS IS MR. ZOIA SPEAKING, AND THERE ARE ALSO SOME DELIVERY ISSUES FOR CERTAIN TYPES OF MATERIAL. FOR THE INVESTMENTS, WE HAVE UNDERWAY, LUCKILY ENOUGH FOR OFFICINE STORICHE LET'S SAY THE STRUCTURAL PARTS HAVE BEEN BUILT ALREADY. THE FRAMEWORKS HAVE ALREADY BEEN BUILT.

WHAT WE ARE TRYING TO DO IS VERY ACCURATELY REDESIGN OR MAYBE CHANGING SOME MATERIALS IN VIEW OF THE FACT THAT THEY HAVE A LOWER COST INCREASE AND MAYBE ALSO A MORE FAVORABLE DELIVERY PROFILE. IT'S PLASTIC, WOOD AND MATERIAL TO SOMEHOW...ITS LAYERS TO COVER THE FACETS FOR INSTANCE. WE ARE CONSTANTLY MONITORING MATERIALS THAT MAY ENABLE US TO STICK TO THE INITIAL BUDGET, AND ALSO AT THE SAME TIME OFFSETTING RAW MATERIAL COST INCREASES WITH DESIGN AMENDMENTS AND CHANGES IN THE MATERIALS TO BE USED.

DARIO MICHÌ: THANK YOU.

CLAUDIO ALBERTINI: THEY ARE TELLING ME, THAT I DID NOT ANSWER THE QUESTION ON REBATES. I THINK, I HAVE SAID THAT. WE HAVE ALLOCATED SLIGHTLY LESS THAN €2 MILLION AS REBATES IN THE BUDGET, BUT WE ALSO HAVE A LEGACY FUND FROM 2021 THAT WE COULD BE USING TO SOMEHOW COVER THOSE REQUESTS. BUT WE THINK WE HAVE GOOD ENOUGH BUFFER TO COMPLY WITH THESE REBATE REQUESTS.

DARIO MICHÌ: THANK YOU

OPERATOR: NEXT QUESTION COMES FROM THE LINE SIMONETTA CHIRIOTTI WITH MEDIOBANCA. GO AHEAD MADAM.

SIMONETTA CHIRIOTTI: GOOD AFTERNOON TO ALL OF YOU ON MY PART. I HAVE SOME QUESTIONS CONCERNING THE TENANT SALES PERFORMANCE. THE FIGURE YOU WERE GIVING US, DOES IT INCLUDE SHOPPING MALLS AND HYPERMARKETS. THAT'S THE FIRST QUESTION.

CLAUDIO ALBERTINI: NO, IT'S ONLY SHOPPING MALLS. THAT WOULD BE GOOD TO INCLUDE ALSO HYPERMARKET.

SIMONETTA CHIRIOTTI: PERFECT, BECAUSE THAT WAS NOT CLEAR FOR ME. AND THEN WHEN WE TALK ABOUT TENANT SALES, WE ALWAYS GIVE THE FIGURE FOR SHOPPING MALLS. WHENEVER WE HAVE HYPERMARKETS, WE BREAK THE FIGURE DOWN. AS TO THE SUSTAINABILITY OF RENTS, DO YOU HAVE AN UPDATED FIGURE FOR THE COST TO OCCUPANCY RATIO FOR A COMPARISON WITH THE PAST TO HAVE A BETTER GRASP OF WHERE WE ARE STANDING AND WHERE WE CAN GET TO WITH THE CURRENT INFLATION TREND? THAT WAS THE FIRST QUESTION.

AND THEN A SECOND QUESTION CONCERNING THE VALUATIONS. DO YOU THINK THERE WILL BE ANY WRITE-DOWNS FOR YOUR P&L AND EVALUATIONS AND APPRAISALS, BUT WHAT IS YOUR FEELING OF THE IMPACT INFLATION COULD HAVE ON YOUR VALUATIONS, INCREASE OF RATES. WHAT CAN WE EXPECT GOING FORWARD THIS YEAR I MEAN? AND THEN ONE LAST QUESTION, CLAUDIO, YOU MENTIONED THAT THERE IS A RESIDUAL FUND LEGACY FROM 2021 AND THAT IS HOW MUCH?

CLAUDIO ALBERTINI:

IF I UNDERSTAND CORRECTLY IT'S €1.8 MILLION IN BUDGET FOR THIS YEAR INCLUDING IN THE GUIDANCE. SO IT'S ABOUT €4 MILLION WORTH OF BUFFER WE HAVE TO MEET POSSIBLE DISCOUNT REBATES OR TO ACT ON THE INFLATION EFFECT.

AND THEN FIRST QUESTION IS ANSWERED BY RAFFAELE NARDI ON THE COST OCCUPANCY RATIO AND ON THE VALUATION INSTEAD. WE WILL HAVE ROBERTO ZOIA I SUPPOSE WILL GIVE YOU A MARKET VIEW AND WHY WE HAVE THIS VALUATION IMPACT.

RAFFAELE NARDI:

WELL, SIMONETTA. GOOD AFTERNOON. FOR 2021, WE RUN THE EXERCISES OF CALCULATING THE COST OCCUPANCY, EVEN THOUGH WE KNOW THAT IT'S DIFFICULT WITH ALL THE INCONSISTENT TRENDS AND EVENTS WE HAVE WITNESSED. SO IT'S PROBABLY NOT VERY MATERIAL OR AT LEAST IT SHOULD BE SEEN OVER A LONGER TIME SPAN FOR IT TO BE MORE MEANINGFUL. SO WE HAVE TO WAIT AND SEE HOW 2022 GOES BEFORE, MAYBE EVEN BEYOND THAT BORDER OR TIMEFRAME. WE CALCULATED ABOUT 12.4% WITHOUT INCLUDING A REBATE. AND IF WE INCLUDE A TEMPORARY BASE, WE'LL GO DOWN TO 11.6%. THAT IS THE VALUE THAT WAS BORNE BY OUR TENANTS, AND WE ARE TALKING ABOUT AN AVERAGE VALUE. AND TAKING REBATES INTO ACCOUNT IT'S NOT VERY DIFFERENT FROM THE HISTORICAL AVERAGE IGD HAS HAD OVERTIME AND EVEN LOOKING AT OUR COMPARABLES, WE ARE WITHIN A LIMITED AMOUNT, WE DID NOT SOMEHOW GO BEYOND CERTAIN PARAMETERS, WE ARE STILL AT LEVELS OF GUARANTEED SUSTAINABILITY, IF YOU WISH.

AND AS CLAUDIO, HAS SAID MANY TIMES ALREADY, WHAT WE DO ON A CONSISTENT BASIS AND WHAT WE DID IN OTHER YEARS AS WELL WERE MORE "NORMAL YEARS" AND EVEN MORE SO DURING TIMES LIKE THESE. WHAT WE DO IS CHECK ON A CASE-BY-CASE BASIS AND LOOK AT THE EFFORT RATE FOR EACH INDIVIDUAL TENANT. AND FROM THERE WE DECIDE WHETHER OR NOT TO TAKE ACTION AND WHETHER OR NOT TO GRANT EVEN TEMPORARY REBATES BECAUSE THERE ARE TENANTS AND THERE ARE INDUSTRIES THAT ARE DIFFERENT FROM OTHERS. AND EVEN IN 2020 AND 2021, THERE ARE TENANTS AND INDUSTRIES THAT ARE DOING WELL. SO MAYBE THE EFFORT RATE INSTEAD OF GOING UP, IT'S EVEN GOING DOWN I WILL SAY.

SIMONETTA CHIRIOTTI: RAFFAELE FIGURES YOU GAVE ON TENANT SALES PERFORMANCE VERSUS 2019. IF WE LOOK AT THEN, VIS-À-VIS 2021 WHAT DIFFERENCES ARE WE TALKING ABOUT IF WE LOOK AT THE QUARTERLY FIGURES?

RAFFAELE NARDI: WE ARE LOOKING NOW AND AGAIN, OF COURSE, WE HAVE TO CHECK AND THEN POSSIBLY COME BACK TO YOU, BUT THAT DIFFERENT PERFORMANCE DEPENDING ON THE PRODUCT CATEGORY BUT THAT MINUS 7.9 VERSUS 2019 COMPARED TO 2021 IS A PLUS SO ABSOLUTELY IT'S AN IMPROVEMENT VERSUS 2020 AND 2021. YOU HAVE TO CONSIDER THAT WE ARE TALKING ABOUT DOUBLE-DIGIT INCREASE IN 20%, 22%. AS WE WERE SAYING MAKING A COMPARISON WITH THE PAST WHERE THOSE WERE THE FIGURES WE WOULD GET OVER THE WEEKENDS. WE DIDN'T THINK IT'S FAIR TO PROVIDE AS TOO POSITIVE, FOR US THE REFERENCE HERE IS 2019 BECAUSE NOBODY WAS TALKING ABOUT PANDEMIC THEN, NOBODY WAS TALKING ABOUT WAR OR NUCLEAR WAR. SO THE COMPARISON WE COULD MAKE IT WITH 2020 AND 2021.

SIMONETTA CHIRIOTTI: NO, I WAS ASKING, BECAUSE THE OCCUPANCY RATIO IMPROVES. YOU GAVE THE FIGURES FOR 2021, BUT WITH TENANT SALES INCREASES, THE OCCUPANCY...THE COST OCCUPANCY RATIO IS IMPROVED AS WELL.

RAFFAELE NARDI: YES, INDEED, IT IS IMPROVED.

SIMONETTA CHIRIOTTI: THANK YOU.

ROBERTO ZOIA: ROBERTO ZOIA, SPEAKING. AS TO CAPEX END OF MARCH, END OF SEPTEMBER WELL, WE DON'T HAVE THE RELEVANT REAL ESTATE ASSET APPRAISAL UNLESS THERE ARE EXTRAORDINARY MAINTENANCE ACTIONS, EXTRAORDINARY MAINTENANCE. SO WE DON'T HAVE IN THOSE TIMEFRAMES, WE HAVE NO WRITE-DOWNS. WE...YOU HAVE DATA END OF YEAR 2021 AND WHATEVER IS THE DELTA WE WRITE-DOWN. THEN IN JUNE, IF THERE'S AN INCREASE, WE'LL RECOVER IT AND OFFSET IT OTHERWISE, IF IT'S STILL FLAT, YOU WILL HAVE THE WRITE-DOWN THAT IS BOOKED FOR, BUT IT'S ALREADY EXPENSED OVER THE QUARTER.

AS TO PROSPECT...AS TO THE PERFORMANCE GOING FORWARD, INFLATION ON RENTAL AND THEREFORE ON DISCOUNTED CASH FLOW IT SHOULD LEAD TO BENEFITS HOWEVER, THE PROBLEM IS WHAT MR. ALBERTINI WAS SAYING BEFORE, THAT IS TO SAY, WHEN INFLATION IS SO HIGH, IT'S NOT AS POSITIVE IT ALSO ENTAILS RISK RATIOS AS WELL. IN END OF YEAR 2021, DESPITE THE INFLATION THE AVERAGE FOR APPRAISERS IN THIS YEAR WAS BELOW 2% THE INFLATION IN JUNE, MAYBE THEY WERE REVISED UPWARD, BUT IF IT WERE TOO HIGH FIGURE IT WILL BE MITIGATED BY THE DISCOUNT RATE THAT WILL TEND TO ALMOST FULLY OFFSET THE INFLATION INCREASE ON RENTS. SO FOR THE TIME BEING, INFLATION IS UNDER CONTROL, AS FAR AS, THE APPRAISERS ARE CONCERNED, THEY HAVE TO LEVERAGE IN THE TOP OF REVENUES, AND INFLATION GROWTH AND THEN THEY HAVE RATES FOR...WITH POSSIBLE MITIGATION ACTIONS TO INCREASE...INCREASING THE DISCOUNT RATE.

GOING FORWARD, WE HAVE TO WAIT AND SEE HOW WE PERFORM IN THE NEXT 2, 3 MONTHS KNOWING THAT 2021 DESPITE OF THE PANDEMIC, IN THE REAL ITALIAN...ON ITALIAN REAL ESTATE THERE WERE MORE THAN €10 BILLION WORTH OF TRANSACTIONS AND THE RETAIL INSTEAD DID MINUS 20, WHICH WAS NOT SO TO BE TAKEN FOR GRANTED AS AN ACHIEVEMENT. IF IN 2022, THERE'LL BE COMPARABLE TRANSACTION VOLUMES IN THE SHOPPING MALLS, AND WE DO NOT YET HAVE THE MORE [INDISCERNIBLE] IT WILL DEPEND ON THAT KIND OF DEALS. BUT BY JUNE, I THINK THE ONLY EFFECTS WE WILL HAVE ARE TO TRY AND UNDERSTAND TO SEE HOW INFLATION WILL PERFORM. SO THE DISCOUNTED STRUCTURAL MODEL AND TO SEE HOW THE DISCOUNT ITEM WILL BE USED OR INCREASED TO MITIGATE AND OFFSET INFLATION.

SIMONETTA CHIRIOTTI: THANK YOU.

OPERATOR: NEXT QUESTION COMES FROM THE LINE OF ALVARO MATA WITH TREA ASSET MANAGEMENT. GO AHEAD, SIR.

ALVARO MATA: HI, GOOD AFTERNOON. THANKS FOR TAKING THE QUESTIONS. 3 TOPICS FROM MY SIDE. FIRST ONE IS, IF MANAGEMENT AND GIVEN AN UPDATE ON THE POTENTIAL ASSET DISPOSALS FOR THIS YEAR. IN MY MIND, I THINK LAST TIME THEY SAID THEY COULD SELL SOME ASSETS IN ROMANIA, THEY STILL HAVE SOME STANDALONE HYPERMARKETS IN ITALY. AND OBVIOUSLY, THE APARTMENTS IN PORTA A MARE WHERE I KNOW THEY'VE SOLD ALREADY 23 OF THE TOTAL OF 42. IF THEY CAN GIVE US AN UPDATE ON THIS.

THEN QUESTION #2 WILL BE ON CAPEX FOR 2022, WITHIN THE BUSINESS PLAN AND WE KNOW THAT THE TOTAL CAPEX PLAN IS TO SPEND €82 MILLION BETWEEN 2022 AND 2023 AND 2024 AND I THOUGHT THAT ABOUT HALF OF THAT ABOVE €40 MILLION WAS EXPECTED TO BE SPENT IN 2022, BUT GIVEN THAT ONLY €3.3 MILLION HAS BEEN SPEND IN THE FIRST QUARTER. I WANTED TO CHECK IS THE PLAN IS TO STILL TO SPEND €40 MILLION THIS YEAR.

AND THEN THE LAST QUESTION WILL BE ON THE CASH POSITION AS FOR THE REPAYED BOND IN APRIL, AND THE AMOUNT ON THE CASH AND THE BALANCE SHEET WAS VERY SIMILAR TO THE AMOUNT OF THE BOND THEY HAVE TO PAY. SO, WHAT'S THE PRO FORMA CASH BALANCE AS OF NOW, MORE OR LESS, AND IT IF THEY HAVE TO MAKE USE OF THE COMMITTED LINES, THAT WOULD BE THE QUESTION? THANKS.

CLAUDIO ALBERTINI: DISPOSALS IN OUR BUSINESS PLAN, WE HAVE DISPOSALS FOR €180 MILLION, WITHIN 3 YEARS. AND WE ARE FAST MOVERS, IT'S NOT THAT...WE HAVE NOT YET FINALIZED THEM. HOWEVER, WE ARE WORKING ON THEM, WE HAVE IDENTIFIED SMALL PORTFOLIO, A NON-CORE PORTFOLIO THAT WE ARE LOOKING INTO. PORTA A MARE, THERE TOO WE ARE LOOKING AT THAT, AND WE HAVE SOME IDEAS. THE AREAS THAT WE

ARE NOW GOING TO DEVELOP AND THEN WE HAVE ROMANIA. WE ARE CONSTANTLY LOOKING AT THE MARKETS, SOMETIMES WE RECEIVED A REQUEST FOR INFORMATION, BUT TO THE PRESENT DATE, THERE IS NOT...THERE ARE NO OTHER NEWS WE CAN SHARE IN THE DISPOSAL ARENA OR AREA OTHERWISE WE WOULD HAVE SHARED THEM.

ON THE FLAT, IT'S 42, 23 OF WHICH WE ALREADY HAVE A SIGNED DEED, NOTARY PUBLIC DEED, AND SO WE ARE GOING TO. WE HOPE TO COMPLETE THE SALES BETWEEN 2022 AND 2023 BECAUSE IN OCTOBER, WE WANT TO DELIVER THE FIRST FLATS, AND ALSO TO OPEN OFFICINE STORICHE OFFICIALLY OPENED AND THAT WOULD CHANGE THE IMAGE OF THAT AREA.

ON CAPEX, I HAND IT OVER TO ROBERTO ZOIA.

ROBERTO ZOIA:

NOT CAPEX OR INVESTMENTS AND ITS INVESTMENTS SUCH AS CAPEX IN OUR...IT'S NOT CAPEX, ITS INVESTMENTS, ONE IS LIVORNO'S RESTYLING AND THEN CAPEX IS SOMETHING ELSE. €3.6 MILLION HAVE TO BE SEEN IN...AGAINST THE FIRST YEAR OF THE BUSINESS PLAN, 2022 STARTED WITH OFFICINE STORICHE AND THEN CAPEX ITALY WE HAVE MAINTENANCE, EXTRAORDINARY MAINTENANCE AND RESTYLING. AS I SAID, BEFORE, IN ORDER TO MITIGATE THE RAW MATERIAL PRICES INCREASE, WE HAVE REDESIGNED SOME OF THE WORKS AND OFFICINE STORICHE ITSELF, THAT WAS SUPPOSED TO BE COMPLETED IN THE FIRST HALF OF 2022 WERE SHIFTED TO THE SECOND HALF OF 2022 AND THEN THE SAME APPLIES TO 2 MEASURE RESTYLING EFFORTS, MANTOVA AND PORTO GRANDE. AND THERE WE HAVE SOME DELAYS IN CASH-OUT BECAUSE WE HAVE TO REDESIGN TO STICK TO BUDGET SOMEHOW. AND THE EXPECTATION IS THAT OFFICINE WILL BE COMPLETED WITHIN 2022 AND WE'VE MOSTLY COMPLIED WITH THE CAPEX, WITH THE INVESTMENTS WE HAD FORESEEN FOR 2022.

SHOULD THERE BE OTHER ISSUES OR PROBLEMS AS IT HAPPENED IN 2020 AND 2021 WHERE WE HAD TO DELAY SOME INVESTMENTS, OR BLOCK SOME INVESTMENTS, WE WILL BE ABLE TO DO IT. BUT, SO FAR, WE ARE FREQUENTLY MONITORING OUR INVESTMENTS. AND FIRST OF ALL, THOSE HAVE BEEN STARTED ALREADY TO STICK TO THE BUDGET FIGURES. AND THEN #2, TO REALLY COME UP WITH COMMITTED TENDERS EVERY TIME THERE IS A NEED FOR IT. BUT, ALSO BEING CAUTIOUS ENOUGH TO BE ABLE TO STOP THEM SHOULD THERE BE ANY SPECIAL EVENTS AND IN THAT CASE MAKE THE INVESTMENT EASIER TO MAYBE PUT OFF, POSTPONE. AND THEN THE BOND AND COMMITTED LINES, ANDREA BONVICINI WILL ANSWER THAT.

ANDREA BONVICINI:

GOOD AFTERNOON. IF THE CAPEX WERE TO BE ALL BE APPLIED AND EXECUTED DURING THE YEAR, BUT IT'S NOT TO BE TAKEN FOR GRANTED, MAYBE WE MIGHT NEED AN EXTRA €20 MILLION BUT ONLY THEN WE WILL BE ABLE TO USE TO DRAW SOME OF THE SHORT-TERM LINES UNLESS WE DO A REFINANCING EXERCISE IN THE NEXT QUARTERS. COMMITTED LINES WERE UNDRAWN, THEY ARE STILL UNDRAWN END OF MARCH, AND

RIGHT NOW THEY ARE ALSO UNDRAWN IN THE COMING WEEKS, SO THEY ARE FULLY UNDRAWN. AND AFTER THE...AND ITS €60 MILLION WORTH OF COMMITTED UNDRAWN LINES, FOR 3, 4 YEARS NOW THEY HAVE BEEN THE SAME.

AS TO THE REFINANCING ACTIVITIES, WE HAVE DECIDED TO WITHDRAW THE TRANSACTION. WELL, WE WERE IN THE MARKET A FEW WEEKS AGO, WE ARE WORKING ON WHILE THE RESOLUTION ON THAT ISSUANCE EXPIRES ON JULY THE 31ST, SO MAY, JUNE AND JULY, WE STILL HAVE A WINDOW WHERE SHOULD THERE BE MARKET CONDITIONS, WE COULD GO TO MARKET VERY RAPIDLY AND WE ARE ALSO WORKING ON OTHER POSSIBLE FORMS REFINANCING TO BE ABLE TO HAVE MORE ALTERNATIVES, MORE CHOICES AND MAYBE CONDITIONS THAT ARE MORE IN LINE WITH OUR EXPECTATIONS. WE HAVE STILL EARLY REFINANCING SOME MATURITIES THAT ARE CONCENTRATED AT THE END, IN THE LAST QUARTER OF 2023, THEY COME DUE IN END OF 2023.

ALVARO MATA: OKAY. THANK YOU. CAN I ASK ONE MORE?

CLAUDIO ALBERTINI: GO AHEAD.

ALVARO MATA: OKAY, GREAT. AND IF YOU CAN CONFIRM THAT THE DIVIDEND PAYMENTS FOR 2021 WILL BE OUT IN MAY, SO THIS MONTH, AND I THINK THE NUMBER I HAVE IN MIND IS AROUND €39 MILLION?

CLAUDIO ALBERTINI: YES. IT WILL BE PAID ON MONDAY, THE EX-DIVIDEND DATE AND THEN ON THE 10TH IS THE [INDISCERNIBLE] AND THE 11TH IS THE ACTUAL PAYMENT.

ALVARO MATA: THANK YOU.

CLAUDIO ALBERTINI: YOU ARE WELCOME.

OPERATOR: LET ME REMIND YOU THAT, IN ORDER TO ASK A QUESTION, YOU MAY PRESS "*" AND "1" ON YOUR PHONE. FOR FURTHER QUESTIONS, PLEASE PRESS "*" AND "1" ON YOUR PHONE KEYPAD. IF YOU WISH TO ASK A QUESTION, PLEASE PRESS "*" AND "1" NOW.

MR. ALBERTINI, LADIES AND GENTLEMEN, THERE ARE NO MORE QUESTIONS IN THE QUEUE.

CLAUDIO ALBERTINI: THANK YOU VERY MUCH. HAVE A PLEASANT EVENING. THANK YOU.